

Chrono.

**CONFIDENTIAL**

**INTERNAL REVENUE BULLETIN**

October 27, 1952

No. 22

\*OGC Has Reviewed\*

Section 29.165-6: Taxability of beneficiary  
under a trust which meets the requirements  
of section 165 (a)  
(Also Section 29.165-1.)

1952-22-13948  
I.T. 4102

**Internal Revenue Code**

Since the civil-service retirement and disability fund is treated as a trust fund and meets the requirements of section 165(a) of the Internal Revenue Code, as amended, that portion of a lump-sum payment received by a Federal civil-service employee or his beneficiary, on account of the employee's separation from the service, which exceeds the total amounts withheld from his compensation under the Civil Service Retirement Act of May 29, 1930 (46 Stat. 468), as amended, is considered, under section 165 (b) of the Code, as gain from the sale or exchange of a capital asset held for more than 6 months.

**Distribution:**

- 1 - General Tax File
- 1 -  25X1A
- 1 - OGC - 317 South
- 1 - Chrono.
- 1 - Fiscal - (Overt)

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